



WAYNE STATE
School of Medicine

Department of Pediatrics

Herman B. Gray, MD, MBA, FAAP
Distinguished Service Professor
Department Chair

October 14, 2019

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Dear Dr. [REDACTED]

We are sorry to inform you that as of November 18, 2019, your employment by Wayne State University will terminate. We very much regret the necessity of taking this measure, but we are afraid we have no option, due to the failure of University Pediatricians, PC to fulfill its financial obligation on your behalf.

Your Wayne State University ("University") faculty appointment as [REDACTED] is specifically conditioned on a subsidy from University Pediatricians, PC supporting your compensation. As was indicated in your last renewal letter:

"It must be understood that at least a major portion of your salary is being derived from grant/contract funds; that is, your appointment is specifically conditioned on subsidy with WSUCA Sections 2.51.01.110 and 2.51.01.120 applying with full force and effect. Any renewal or extension of assignment is entirely dependent upon your satisfactory performance and upon the continuation of the subsidy. Should the subsidy be terminated or reduced, it must be understood that there is no direct, indirect, or implied commitment by the Department, the School, or Wayne State University to continue your employment (salary and fringe benefits) beyond the cessation of, or reduction in, the subsidy. Under WSUCA Sections 2.51.01.110 and 2.51.01.120, term appointments conditioned on subsidy carry no implication of continuing tenure."

For several years, University Pediatricians reimbursed the University for most of its subsidy commitment. However, University Pediatricians discontinued all support of your subsidy after February 14, 2019, which is the last date the School of Medicine received any reimbursement for your compensation. All attempts to persuade University Pediatricians to resume reimbursement have been unavailing. University Pediatricians recently denied responsibility for this reimbursement and has argued that the University has "failed to mitigate its damages" – in other words, that the School of Medicine should have already terminated your employment.

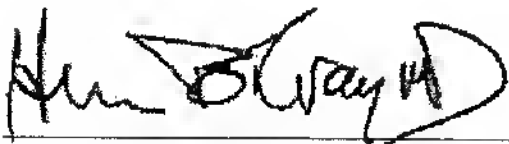
The failure of University Pediatricians to reimburse the University for your salary and fringe benefit expenses has, as of September 22, 2019, resulted in a shortfall of \$197,494, tied directly to your compensation. While your service and contributions to the University's educational and research programs are held in the highest regard, the University and the School of Medicine cannot sustain this deficit and expense.

We therefore must inform you that unless University Pediatricians makes good on its arrearage and agrees to take responsibility for reimbursement; or unless you identify and document another valid and assured salary source by midnight on October 30, 2019, your faculty appointment and employment by Wayne State University will terminate effective November 18, 2019. You may wish to contact University Human Resources (Benefits & Wellness/Compensation) at (313) 577-3717 for information regarding continuation of your insurance, or regarding any other benefit questions you may have.

As you know, we have recently incorporated Wayne Pediatrics as the newly recognized School of Medicine Clinical Service Group for the Department of Pediatrics. We are pleased to tell you that since faculty who join Wayne Pediatrics will not initially be paid under a salary reimbursement agreement, their status as School of Medicine employees will remain unchanged. If you wish to discuss joining Wayne Pediatrics, please contact Dr. Gray directly, either by phone at (313) 577-3231 or by email (hgray@med.wayne.edu).

We acknowledge how difficult this situation may be for you, and the anxiety that this letter is likely to cause; however, the failure of University Pediatricians to fulfill its financial obligation to the University has resulted in this unfortunate situation. We greatly appreciate your service and contributions to Wayne State University and the School of Medicine. Looking forward, we are very confident that a bright future lies ahead for our Department of Pediatrics.

Sincerely,



Herman B. Gray, MD, MBA, FAAP
Distinguished Service Professor
Chair, Department of Pediatrics



Jack D. Sobel, MD, MACP
Distinguished Professor of Medicine
Dean, School of Medicine

c: Boris Baltes, PhD, MBA, Associate Provost
School of Medicine Office of Faculty Affairs